

## **Integrative Versus Distributive Bargaining: Choosing a Problem Resolution Process**

### **Coopération ou contestation en tant que méthode de règlement des différends**

Rick Coleman et C. R.P. Fraser

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#### Résumé de l'article

L'examen des deux méthodes pour résoudre les différends permet de constater que leurs exigences se contredisent.

L'approche coopérative ou la négociation interdépendante vise à rechercher le meilleur règlement d'un problème. Les stratégies et les tactiques que l'on utilise s'opposent à l'idée de conflit ou à l'approche de contestation. Le processus choisi, dans une situation donnée, repose en premier lieu sur le fait qu'une partie considère le problème en lui-même. En d'autres termes, y a-t-il possibilité d'un avantage qui est partagé entre les parties ou existe-t-il une possibilité d'accroître leurs avantages mutuels?

En deuxième lieu, le choix du processus peut reposer sur la perception qu'une des parties se fait du point de vue de son adversaire. En d'autres mots, l'adversaire considérera-t-il la question en recourant aux stratégies et aux tactiques d'une approche de coopération ou d'une approche de contestation?

Cette double approche, qui repose sur la façon dont on conçoit le problème à résoudre et sur l'opinion que l'on a de l'adversaire, peut conduire à la possibilité de dix situations différentes. (Tableau 1) (Le cas illogique de n'envisager que la possibilité de contestation mais de choisir l'autre méthode ne peut être considéré comme option). Les auteurs estiment que le processus de coopération ne pourra se produire avec certitude que là où les deux parties considèrent le problème et l'adversaire comme s'ils désiraient coopérer dans la recherche d'une solution. Dans les deux autres cas, on peut accepter de suivre un processus de coopération, mais cela dépend de l'attitude initiale d'une partie qui considère le problème ou l'autre partie sous l'angle de la contestation.

Les auteurs tirent cette appréciation de trois sources. Ils considèrent d'abord les tactiques inhérentes aux deux méthodes pour régler le problème ainsi que l'effet de ces tactiques sur l'autre partie. En second lieu, ils ont tenu compte de l'expérience acquise en matière de confiance et de méfiance des deux parties l'une envers l'autre. Finalement, ils étudient certains problèmes particuliers dans le domaine de relations professionnelles, soit l'influence d'un groupe sur le comportement de ses agents et l'effet du pouvoir de marchandage dans des rapports professionnels dynamiques.

Enfin, les auteurs laissent entendre que l'étude d'un cas unique isolé peut s'appliquer également à des cas à problèmes multiples.

# Integrative Vs Distributive Bargaining

## Choosing a Problem Resolution Process

**Rick Coleman**

**and**

**C.R.P. Fraser**

*This paper examines the antithetical nature of two methods of resolving conflict through negotiation, and suggests there is an appropriate process depending upon how a party views the problem, and how he perceives it being viewed by his opponent.*

Labour management relationships encompass both conflict and cooperation. The former condition is rooted in the necessity of dividing finite resources, and the latter recognizes the symbiotic nature of the relationship<sup>1</sup>. Presumably the processes the parties choose to resolve problems that inevitably arise reflect the bifurcated nature of their relationship. However, the considerable academic interest in the processes used by the parties to cope with their problems usually presupposes either an approach based on cooperation, or one based on conflict. It does not seem possible that either a cooperative or conflict-based approach is always appropriate in every labour-management relationship. A complete consideration of the problem resolution process should, therefore, contain an analysis of a primary step. This step is the choice of the type of process to be used for resolving a problem when it first arises.

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\* FRASER, C.R.P., Faculty of Commerce and Business Administration, The University of British Columbia.

COLEMAN, Rick, Faculty of Commerce and Business Administration, The University of British Columbia.

\*\* The authors are respectively Staff Representative of the British Columbia Government Employees Union and Assistant Professor, University of British Columbia. The paper is based on the former author's Master's Thesis.

<sup>1</sup> HILLS, Steven, "Organizational Behavior and Theoretical Models of Industrial Relations", *Proceedings of the Twenty-Eighth Annual Winter Meeting, 1975*, Madison, Wisconsin, Industrial Relations Research Association, 1976.

This paper is a theoretical examination of the way in which parties can reach apparently effective problem solutions from the perspective of an initial choice of a process. For given situations, decision rules are formulated which suggest the appropriate course of action. In particular, the discussion focuses on the possible effect of specific strategies which are necessitated by choosing a particular process. Finally, the unique one-problem case is generalized to consideration of more than one problem.

### AVAILABLE PROCESSES

There are four options open when a problem first arises. One party may rely on the other to develop a solution and accept this solution arbitrarily. Second, one party may present its own solution as the only alternative, choosing to terminate the relationship should that solution not be acceptable to the other. Third, the party may negotiate a solution, attempting to derive as much partisan satisfaction as possible regardless of the loss to the other party as long as the relationship is prolonged. Fourth, the party may join with the other in attempting to resolve the problem with the major criterion being the overall quality of the solution (maximizing joint benefits) rather than the comparative level of benefits.

In an industrial relations perspective which assumes a continuing relationship, the first two processes need not be considered. The first option can be rejected because it lacks credibility in an interest-laden industrial society. The second can be dismissed because it lacks the dependence implicit in this symbiotic relationship. We are, therefore, left with the third and fourth options, referred to in the literature as “distributive” and “integrative” respectively<sup>2</sup>.

The integrative option represents a specific procedure designed to optimize the probability of both parties obtaining a good and perhaps “best” solution to a particular problem. The tactical imperatives<sup>3</sup> suggest a suffi-

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<sup>2</sup> WALTON, R., and R. MCKERSIE, *A Behavioral Theory of Labour Negotiations*, New York, McGraw-Hill Book Co., 1965.

<sup>3</sup> The integrative process is ultimately a problem solving exercise which concentrates on the best total solution to a problem instead of immediate individual party interests. This is a procedure that requires a mutual identification of the problem, a search for alternate solutions, and an eventual choice of a solution that will accommodate the interests of both parties. The tactical imperatives associated with this procedure are associated with the need for trust and mutual cooperation in identifying what both parties need and want from an eventual solution. They relate specifically to reducing the other party's fear of exploitation and building a strong cooperative atmosphere.

ciently depersonalized bargaining atmosphere to erase the participants' identification with one or the other party, and the establishment of an overall, single team spirit. The key requirements are trust and openness. The emphasis is on employing all resources to defeat the problem rather than spending a substantial portion on defending one's own partisan position.

The distributive bargaining process<sup>4</sup> is the antithesis of the integrative option. Essentially, the distributive model assumes that the primary concern for each party is deriving a maximum share of a solution or, more appropriately, "settlement". Each party will go to considerable trouble to positively effect the balance in its favour, given the nature of the stakes involved. Party lines are clearly drawn and there is a common realization that each party is concerned with obtaining the largest benefit share. The emphasis is on calculated maneuvers designed to alter the opposite's viewpoint of what is an acceptable share distribution. Unlike the integrative process, which seeks to determine the one best solution to a problem, the distributive process represents a method by which each party attempts to obtain the solution that it believes would maximize its own interests, fully realizing it is a win/lose situation. Solutions are sought and graded against partisan utility functions on an independent basis. The emphasis is on forcing a particular solution rather than discovering one.

## DECISION MODEL

Thus, there are two antithetical processes through which problems can be resolved. The choice of one process over the other is based on (i) the party's expectations concerning the potential outcomes of a problem, and (ii) its perceptions of the opponent's expectations concerning that outcome.

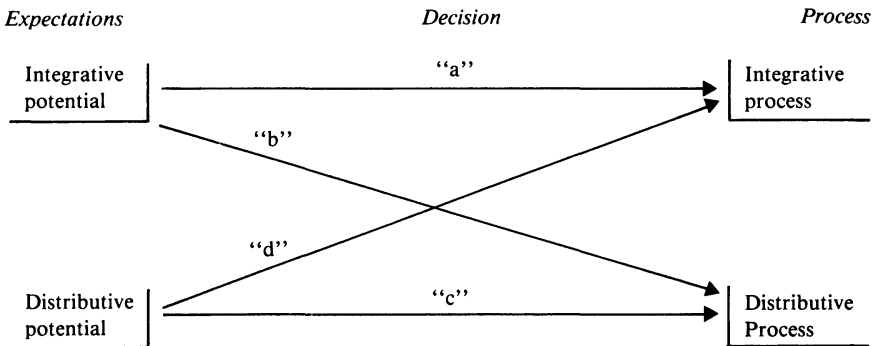
A party's expectations concerning the possible outcomes of a problem can be seen as being based on the perceived total utility of the outcome. To the degree that a problem is seen as one where the outcome potential is fixed, a trade-off exists where an increase in utility to one is a decrease to the other. However, the problem can also be seen to have a potential gain to

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4 The distributive process represents a method by which each party attempts to obtain the solution that it believes would be best for partisan interests, fully realizing that it is a win/lose situation. It is a dynamic process based on calculated maneuvers designed to alter the opposite's viewpoint on what is an acceptable share distribution. Solutions are sought out and graded against partisan utility curves on an independent basis.

both parties. These two possible expectations combined with the two available processes for dealing with the issue indicate four possible decision situations. These are illustrated graphically in Figure 1.

**FIGURE 1**  
**Possible Decision Processes: One Party**



However, it is not sufficient to consider just one party; there is an interaction of two which must be considered. An individual will consider not only his own expectations, but his perception of those of the other party as well<sup>5</sup>.

The necessity of a party estimating its opposite's expectations of the problem situation has been documented by a number of researchers, particularly those concerned with conflict bargaining<sup>6</sup>. All were concerned with strategies of distributive bargaining, and each indicated that effective bargaining necessitates an estimate of probable response. If a party is to select an appropriate strategy with regard to the utility functions of the other party, accurate assessment of their position is necessary. Otherwise a party's own position will suffer on two counts.

<sup>5</sup> For simplicity "perception" will refer to assessments by one party of the other's expectations concerning the potential outcomes and "conception" will refer to one's own expectations concerning the outcomes.

<sup>6</sup> STEVENS, Carl, *Strategy and Collective Bargaining Negotiations*, New York. McGraw-Hill Book Co., 1963; Edward PETERS, *Strategy and Tactics in Labour Negotiations*, New London 1955; Ann DOUGLAS, *Industrial Peacemaking*, New York. Columbia University Press, 1962; WALTON and MCKERSIE, *op. cit.*

First, incorrect assessment will lead to inappropriate offensive bargaining behavior. An underestimate by party A of the level of benefit share that party B is striving for, for example, may lead party A to a commitment to a level which is really quite unacceptable to party B. This mistake could lead to a breakdown in negotiations and to open conflict such as a strike. Similarly, concession or commitment tactics based on such an overestimate will cause party B to reassess his own bargaining position. An example of such a mistake is provided by Douglas<sup>7</sup>.

Protection of one's own "real" position is as critical as accurately assessing the other party's position. In this context, inaccurate perceptions which lead to inappropriate information dispersement will cause the opposite party to act inappropriately. A party who reveals too much may actually alter the whole bargaining situation from one conducive to quick agreement to one which will drag on for days, and perhaps break down<sup>8</sup>.

Siegal and Fouraker<sup>9</sup> provide experimental support for the argument that an incorrect defensive strategy can lead to increased offensive tactics by the other party. In early experiments of bargaining behavior they observed that an unexpectedly generous bid by one party led to an increased level of aspiration in the opponent rather than a quick settlement. Incorrect defensive strategy can be compared to the openness of an integrative strategy.

These arguments may be used to support the contention that the initial choice of a process must be a function of a party's own conceptions together with an estimate of the opponent's conceptions. A party will not blindly enter a bargaining situation hoping that the other party perceives similar circumstances. A party facing a decision over one of two processes is in the same predicament. If the process turns out to be distributive they will want to be prepared. Consequently, that party will try to estimate the opposite's conception of the same problem before initiating or participating in a particular process option.

Given that there are two possible expectations concerning the potential outcome of a problem, and there are two possible processes to resolve that problem, there are a variety of possible circumstances in which the parties may find themselves.

These combinations are illustrated in Table 1. For each of the parties, there is represented (a) their conception of the possible outcome (columns II

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<sup>7</sup> DOUGLAS, *op. cit.*, pp. 280, 281.

<sup>8</sup> See, for example, DOUGLAS, p. 36.

<sup>9</sup> SEIGAL, S., and L. FOURAKER, *Bargaining and Group Decision Making: Experiments in Bilateral Monopoly*, New York, McGraw-Hill Book Co., 1960.

and VI respectively) and (b) their perceptions of the other's position (columns III and V). For each unique set of circumstances there is an appropriate process to be followed. This is indicated in Column VIII of Table 1, and each is based on two general rules for which considerable support can be found in the literature. Referring to the decision paths from Figure 1:

- (I) If a party A identifies a problem as having integrative potential but is not sure of the response of the other party, decision "b" (distributive process) will be pursued over decision "a" (integrative process).
- (II) Decision "d" (identifying a problem as distributive and pursuing an integrative solution) is never made.

Rule I suggests that mutual perceptions of integrative potential and probable integrative response (Table 1, case 1) are the only circumstances where an integrative process would be chosen. Rule II indicates that an integrative choice in the case when one perceives a distributive potential and expects a distributive response (Table 1, case 10) would be irrational. Both decision rules suggest that one party's desire for an integrative option is insufficient incentive for an integrative process to be pursued.

**TABLE 1**  
**Process Decisions**

Case #	PARTY A				PARTY B		
	Estimate of Problem <sup>1</sup>	Perception of Party B	Decision Path (Figure 1)	Perception of Party A	Estimate of Problem	Decision Path (Figure 1)	Expected Process
1)	I <sup>1</sup>	I	a	I	I	a	I
2)	I	I	a	D	I	b	I or D
3)	I	I	a	I	D	c	D
4)	I	I	a	D	D	c	D
5)	I	D	b	D	I	b	I or D
6)	I	D	b	I	D	c	D
7)	I	D	b	D	D	c	D
8)	D	I	c	I	D	c	D
9)	D	I	c	D	D	c	D
10)	D	D	c	D	D	c	D

<sup>1</sup> I refers to expectations of integrative potential; D refers to expectations of distributive potential.

These rules are based on the behavior considered to be appropriate for particular sets of perceptions. The discussion of their validity is based on (i) the optimum use of different initial tactics employed for each of the process options; (ii) game theory experiments concerning trust and suspicion; and (iii) specific aspects of North American industrial relations.

## TACTICAL DIFFERENCES

The tactical maneuvers required for success in each process are entirely different. The integrative process calls for the identification and candid consideration of a number of alternate solutions together with a search for new solutions through a combination of mutually attractive features<sup>10</sup>. The distributive process on the other hand, works on a limited number of solutions generated separately by each party as its optimum solution<sup>11</sup>. The integrative process is exploratory and tentative, as opposed to the firm commitments of the distributive process<sup>12</sup>. The commitments necessary for success in the latter<sup>13</sup> are disfunctional in the former<sup>14</sup>. Overall, the open atmosphere of objectivity, trust, and low pressure implicit in the integrative process is inconsistent with the calculated high pressure, low trust tactics of the distributive process.

The first steps of each process are consistent with the general comparison. In the integrative process, the first step calls for a maximum sharing of information in the form of basic objective facts. This is necessary if the solution is to adequately deal with each party's needs. The initial stages of the distributive process serve the same function of information flow, but the first step of the distributive process calls for a minimum sharing of *correct* information and the appropriate medium is tentative solutions (the infamous "demand"). The distributive strategy is to force the opponent into revealing his real position (minimum acceptable level) while presenting a much inflated version of one's own position.

Neither party will be affected by the distributive/integrative tactical divergence if both parties recognize an integrative potential and perceive a

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<sup>10</sup> MINER, J., *The Management Process-Theory, Research and Practice*, New York, Macmillan Co., 1973.

<sup>11</sup> STEVENS, *op. cit.*

<sup>12</sup> WALTON and McKERSIE, *op. cit.*

<sup>13</sup> STEVENS, *op. cit.*

<sup>14</sup> HINTON, Brian, "Environmental Frustration and Creative Problem Solving", *Journal of Applied Psychology*, Vol. 52, 1968, pp. 211-217.



forthcoming integrative response. But if one party blindly pursues an integrative process and the other side is intent on the distributive process, the information sharing will be one sided and the first party will be at a distinct disadvantage, having revealed its preferred position. Each party should recognize this situation, or fail to recognize it only once. Depending on the party's degree of risk avoidance, it could either wait for the other party to show its hand or pursue the safer route regardless (Rule 1).

A perception of distributive potential and distributive response will never be handled in an integrative manner because this would invite exploitation (Rule II). However, in the situation of integrative potential, distributive response (Rule 1) there is an added variable. The degree of certainty that the other party will respond in a distributive manner to an integrative initiative is a function of party A's trust in party B.

## TRUST AND SUSPICION

The effect of trust, and its counterpart, suspicion, on collective bargaining has attracted a great deal of academic consideration. Anecdotal evidence<sup>15</sup> however, need not be relied upon because the topic has generated a great number of controlled laboratory experiments.

In particular a number of game theorists have attempted to analyze collective bargaining through the selective manipulation of trust in artificial bargaining environments. Deutch, for example, defined trust as choosing to pursue a path that may lead to an event perceived to be harmful, even though occurrence of this event is dependent on another person and there are definite indications that the potential loss may be greater than the potential gain<sup>16</sup>. Trust, therefore, becomes synonymous with confidence.

In terms of the probability of cooperation between parties, given at least one trusting party, "... the choice (between cooperating or not) is determined by such variables as the relative attractiveness of the competing alternatives and the subjective probabilities of realizing the alternatives"<sup>17</sup>. Severe problems of trust, therefore, occur when one or both parties are "... indirectly oriented to obtain maximum gain at minimum cost (to themselves)"<sup>18</sup>. Such is the case in distributive bargaining.

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<sup>15</sup> DOUGLAS, *op. cit.*, p. 72.

<sup>16</sup> DEUTCH, M., "The Effect of Motivational Orientation Upon Trust and Suspicion", *Human Relations*, Vol. 13, 1960, pp. 113-139.

<sup>17</sup> *Ibid.*, p. 125.

<sup>18</sup> *Ibid.*, p. 123.

Deutch was primarily concerned with the effect of individually perceived intentions on trusting behavior. He used a two-person, potentially variable-sum game in which individual rewards were dependent on choices made by both parties. The game was structured such that decisions based on individual rationality were impossible unless conditions of mutual trust also existed. Subjects were programmed to a cooperative, competitive, or individualistic motivational orientation and experiments were conducted controlling for simultaneity of choice and pre-choice communication variables. The cases of most interest to the collective bargaining sphere are those in which non-simultaneous choice was paired with an individualistic orientation. The latter is closest to the "integrative" orientation given above because only the competitive motivational orientation carried the implication of win/lose conflict. The cooperative orientation was much stronger than the integrative requirements given above. The indication from this work is that Deutch's subjects were risk averters when faced with an integrative/distributive decision and uncertainty of an opposite's reciprocal action.

Unfortunately, Deutch's study lacks a certain degree of relevance to industrial relations because he made no attempt to control for the negotiating history of relationships. However, there is another study which did control for this variable. Benton, Gelber, Kelly, and Liebley<sup>19</sup> conducted a card game simulation where both parties were rewarded a certain amount per trial depending upon the succeeding state of a card variable. The critical aspect of the experimental design was that only one player had cost-free knowledge of the card variable, whereas the other party could only obtain direct knowledge at a penalty cost to both. As in labour-management negotiations, both players were faced with dilemmas of honesty versus deceit and trust versus suspicion. The controlled variable was "trustworthiness" as measured by the first subject's (perfect information) history of deceit. The authors found that the rate of doubting, even in the face of negative consequences, increased markedly according to the controlled subject's untrustworthy behavior.

The implication for the present study is that distrust, and a "b" decision path, is a function of past bargaining behavior. By the very nature of the distributive process (controlled information flow, misinformation, etc.) Benton *et al's* findings suggest that any perceptions of a distributive

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<sup>19</sup> BENTON, Alan, E. GELBER, H. KELLY, B. LIEBLEY, "Reactions and Various Degrees of Deceit in a Mixed-Motive Relationship", *Journal of Personality and Social Psychology*, Vol. 12, 1968, pp. 170-180.

response based on past experience should be sufficient motivation to pursue an initial distributive strategy.

Loomis<sup>20</sup> was even more pessimistic regarding the potential for an integrative process. In the theoretical introduction to his paper, Loomis suggests that there are four conditions essential for the establishment of a relationship based on trust, all of which are only satisfied in case 1 of Table 1:

- (1) Each individual must be committed to reaching some goal where commitment is such that failure to achieve the goal would cost more than he would be willing to risk in an uncertain venture.
- (2) Each individual must realize that he cannot reach a specific goal without the help of other persons.
- (3) Each individual must recognize a similar dependence of the other person(s) to him and that they are ready to help him.
- (4) Each individual must know that the other parties are each aware that the members are all mutually interdependent.

By Loomis' estimation, the crucial factor is a state of "perceived mutual trust". He discounts any possibility of anything but a case 1, Table 1 situation leading to an integrative process:<sup>21</sup>

... If the individual perceives mutual trust, he will cooperate, and if the individual does not perceive mutual trust he will not cooperate. In the second case the individual should see (equivalent to Table 1, cases 5, 6, 7, 10 for party A; cases 2, 4, 5, 7, 9, 10 for party B) since he has no reason to expect that the person will cooperate, that an uncooperative choice is his best defense against undue loss.

A paper written by Shure, Meeker, and Hansford<sup>22</sup> is more specifically focused on the first move of a tactical interchange. The task in this experiment was such that cooperation was possible, thereby maximizing total gain, together with two other behavior combinations: dominance/submission and mutual interference. If both parties remained leary of each other's motives, mutual interference would isolate individual players thereby permitting little or no reward, but also no direct "punishment". If one party decided to trust the other, however, severe vulnerability was experienced due to an aspect of the game design that gave the opposite party the power to dominate future behavior if the first party chose to initiate an inter-

<sup>20</sup> LOOMIS, J., "Communication, the Development of Trust and Cooperative Behavior", *Human Relations*, Vol. 12, 1959, pp. 305-317.

<sup>21</sup> Ibid., p. 308.

<sup>22</sup> SHURE, G., R. MEEKER, and E. HANSFORD, "The Effectiveness of Pacifist Strategies in Bargaining Games", *Journal of Conflict Resolution*, Vol. 9, 1975, pp. 106-117.

change with an integrative move. Domination ranged from allowing the opposite party to maximize his total possible gain to the infliction of physical pain (an electric shock).

In this experiment there was no bargaining history to bias the subjects' decisions. Actions were based solely on each subject's culturally acquired feelings for a situation where they could gain a reward, but only through extreme vulnerability. Such a cost was too much for over one half on the subjects to even contemplate cooperation in the form of an integrative process. This suggests a high probability that a "safe" distributive option will be pursued in all cases where response is unsure, even when a party recognizes a potential for cooperation.

These controlled experiments indicate that any party facing a high threat situation will tend to react in a safe manner. There are a number of aspects of the labour-management sphere which make this conclusion even more valid.

### **Aspects of North American Industrial Relations**

#### **THE PRESENCE OF AUDIENCES**

An audience is defined as a physical or psychological presence for whom the negotiator must perform. The motivation to perform rests on the need for peer support for psychological well-being and career goals. In most cases, the audience is somehow dependent upon the negotiator's performance for either tangible (as in monetary value of a benefit share) or intangible outcomes (emotional feelings of victory or defeat). Much concern is therefore directed towards the negotiator's behavior by himself, his fellow negotiator's, and his constituency. A positive or negative audience response may be directed at any aspect of the negotiator's behavior or the consequences of this behavior: specific commitments, concessions, agreements, bargaining style, etc.

Some literature is devoted to analyzing this aspect of the labour-management interchange, particularly the dominance of a constituency on the labour side. Blum<sup>23</sup> writes that audiences are the sole reason for the present form of collective bargaining. He suggests that the negotiators are

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<sup>23</sup> BLUM, A., "Ritual versus Reality in Collective Bargaining", *Harvard Business Review*, December, 1961.

aware of what the level of settlement will be from the start, but appearances of hard fought battles are necessary to sustain constituency support.

A cursory treatment of the subject is provided by Rubin and Brown<sup>24</sup>. These authors have stated a number of general propositions. The most relevant to present purposes is one which states:<sup>25</sup>

If a bargainer is accountable to an audience for whatever it is that will bring positive evaluation, then this accountability is the mechanism by which he may be controlled.

Rubin and Brown suggest that constituencies have the power to apply sanctions to negotiators who are perceived to be behaving inappropriately. Sanctions include removal of the negotiator from his role, reduced support (wildcat strikes, etc.) and damage to his bargaining reputation. Empirical support for this proposition is provided by McKersie, Perry, and Walton<sup>26</sup>. Observing the 1961 Auto Workers/International Harvester contract negotiations, these authors "... found that a negotiator's failure to bargain in accord with his constituency's preferences had serious implications for his continuation as a member of the bargaining team"<sup>27</sup>. Further, "... a good number of delegates perceived high costs in failing to advocate their constituents' demands. Many of the delegates faced serious challenges to their leadership from organized factions within the membership and could be said to have chosen their orientation in response to implicit political sanctions"<sup>28</sup>.

On a similar plane, Rubin and Brown pose a second proposition:<sup>29</sup>

Audiences, especially dependent ones, generate pressures toward loyalty, commitment, and advocacy of their preferred positions.

In support of their proposition the authors cite a number of experimental studies which demonstrate the conformity of negotiators to group norms.

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<sup>24</sup> RUBIN, F., and R. BROWN, *The Social Psychology of Bargaining and Negotiations*, New York, Academic Press, 1975.

<sup>25</sup> *Ibid.*, p. 47.

<sup>26</sup> McKERSIE, R., C. PERRY, and R. WALTON, "Intraorganizational Bargaining in Labour Negotiations", *Journal of Conflict Resolution*, Vol. 9, 1965, pp. 463-481.

<sup>27</sup> RUBIN and BROWN, *op. cit.*, p. 48.

<sup>28</sup> McKERSIE et al., *op. cit.*, p. 465.

<sup>29</sup> RUBIN and BROWN, *op. cit.*, p. 50.

The relevance of the "audience effect" for present purposes relates to the potential willingness of a negotiator to act cooperatively in front of a distributively oriented constituency. Constituents are often not aware of the intricacies of negotiations<sup>30</sup>. They see only the broader picture which in North America usually delineate an "us/them" relationship. If there is some doubt of an expected integrative response in the negotiator's mind, there may be a great deal of doubt in the less informed constituent. Labour relations literature contains a number of outstanding examples of the audience phenomenon.

In 1965, four and one-half years of peaceful (no strikes or breakdowns in negotiations) negotiating in the steel industry was terminated with the unseating of the union leadership. Apparently, three decades of severe strife (e.g. long strikes, vicious diatribes) and bitter win/lose bargaining prior to 1960 had created militancy in the rank and file. The latter distrusted management's intent and believed that their leaders were being tricked into subservience to management's desires<sup>31</sup>.

On the same plane a period of accrimonious and costly bargaining between the Amalgamated Meat Cutters and Retail Food Store Employees Union and a supermarket employers' association was followed by a brief period of more integrative behavior. No emotional shouting matches were permitted and no accusations were allowed during a party's presentation. But because "... the new bargaining approach did not follow the traditional pattern, both sides (constituents) began to question not only the adequacy, but the integrity of their spokesmen"<sup>32</sup>

#### BARGAINING POWER IN FUTURE DISTRIBUTIVE NEGOTIATIONS

In the opening pages of *Industrial Peacemaking*, Douglas notes that when "... the negotiators close the doors to the conference room, they turn their backs on reality in any of the senses in which science and society use that term"<sup>33</sup>. The validity of this statement is demonstrated in the distributive model provided above. Except where extreme condition of disproportionate power exist, the model implies that negotiation outcomes

<sup>30</sup> BLUM, *op. cit.*

<sup>31</sup> FELLER, D., "The Steel Experience: Myth and Reality", *Proceedings of the Twenty-First Annual Winter Meeting, 1968*, Madison, Wisconsin, Industrial Relations Research Association, 1969.

<sup>32</sup> *Business Perspectives*, 1968, pp. 4-10.

<sup>33</sup> DOUGLAS, *op. cit.*, p. 8.

depend to a great extent on the skillful use of the available tactics rather than on an environmental reality. Part of negotiation skill is providing as favourable an image as possible of one's power position. The latter is defined in the context of inability to resist/ability to insist. The degree to which experiences negotiators realize this negatively affects the relevance of a "real" power structure. This conclusion is implicit in the nature of the distributive process. The presentation of a favourable net expected utility function and the attempted manipulation of the other party's net expected utility function, particularly through a commitment strategy, indicates the prevalence of exaggerated projections. For example, if a party makes a threat to strike, this threat will have no coercive power unless it is believed by the opposite party.

Each party must therefore be careful not to give its opposite any impression of weakness. In a continuing relationship the necessity of demonstrating a favourable image carries over between different contract negotiations. A sign of weakness given in one set of negotiations may become relevant when the contract reopens through a deflated image of "power" and consequently, perceptions of minimum acceptable levels of benefit shares. This effect could lead to unnecessary sanctions or even deadlock if the initial preparation of party B's ability to resist/insist is incorrect.

In the present discussion these arguments suggest that a party which foresees any future distributive bargaining with the same opposite party will not jeopardize the potential future value of commitment tactics by demonstrating any dependence on the other party for future reward distribution. The instigation by party A of an integrative process may be a signal to party B that A does not have the power to push for what it wants in a distributive process, and must rely on party B's cooperation in order to attain even the smallest benefit share.

## DISCUSSION AND IMPLICATIONS

The decision model proposed in this paper makes predictions of rational behavior which can be expected in circumstances of particular perceptions. Predictions for each perception/conception combination are given in column VIII of Table 1.

In the first four cases listed, party A is expected to pursue an integrative process. It will enter the process prepared for a maximum sharing of information. In case 1 this plan will be reciprocated, but in cases 2, 3,

and 4 party A will soon discover that party B is not prepared to share information so freely. Party A will encounter reservation in case 2, but distributive aggression in cases 3 and 4. In case 2, party A will probably encounter a fairly quiet opposite who will be prudently awaiting signs from party A that the problem is as party B itself sees it. Any other behavior will destroy any likelihood of cooperation.

In case 3, party B may decide to respond to party A's integrative initiative by creating the false impression that it is an integrative problem, hoping thereby to trick party A into revealing too much information. There is some doubt that this can continue for any length of time because party B will not want to reveal any information regarding its own position. This will alert party A of its inappropriate choice in case 4, party B will enter pre-disposed to pursue the distributive process.

The same arguments apply to party A's choice in cases 5 through 10. Party A will either try to fathom the situation or pursue the distributive process regardless because of a perception that B has an inclination towards the distributive option. The roles are sometimes reversed; however, it seems clear that only in the first case is the integrative process likely to be chosen and completed. Even in case 5 where both parties are actually 'I', the distributive process will ultimately prevail because the integrative option does not allow for the kind of information exchange where one party gives an increment of information and then waits for the other party to make a similar contribution. This is not a trust filled atmosphere and temptations and suspicions will arise concerning how much and what kinds of information should be traded. In all other cases a choice of the integrative option would be a tactical error since it would put a party at a severe bargaining disadvantage.

The same logic used for isolated problems can be extended to cases where there are two or more. When problems are of different categories i.e. integrative or distributive potential the antithetical nature of the processes will guide the choice of a process. If the two processes are attempted at the same time or even in the same relationship, one or the other process must suffer some alteration. Either the distributive process must become uncharacteristically open or the integrative process will be debased by calculated information restriction. Degrees of variation in information flow and cooperative, non-partisan discussions are as critical to the integrative process as calculated restriction of information is to the distributive process. The latter can continue as such with a varying amount of disclosure, but the integrative process cannot continue to operate with any partisan restriction of information flow. Such restriction will foster distrust and the



degree of cooperation will decrease for both parties. Therefore integrative processes need to be separated from the distributive variety.

Further, in some cases problems of a similar nature may have to be separated. By their nature integrative processes should tend toward the isolation of particular problems. Indeed, the nature of the integrative model's first task of problem definition implies the necessary singularity of problems. Distributive combinations are slightly more complicated. Theoretically they could go either way depending upon the party's perception of which will prove most advantageous. It may be felt, for example, that a bargaining advantage will be enjoyed if a problem is considered by itself. In general, however, there is a tendency for distributive issues to be treated together. This "packaging" occurs because parties do not commit themselves to a singular solution to one issue before all issues are considered<sup>34</sup> but also because two issues provide two sets of information plus additional tactics which are generated from the combination. The latter refers to a concession process where each party attempts to manipulate the other's net utility function for one issue through another<sup>35</sup>.

The conclusion to be reached is that normally, a desire for separated problem solving will only exist if both parties wish to pursue an integrative process. This condition is unlikely unless both parties perceived a potential for an integrative solution and a forthcoming integrative response from the other party. Given a history of distributive bargaining, such perceptions are unlikely. Even where an integrative response is considered likely, success of this type of process depends upon separating this resolution process from distributive processes.

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<sup>34</sup> *Labour Gazette*, January, 1975, pp. 40-46.

<sup>35</sup> See, for example, WALTON and MCKERSIE, *op. cit.*, p. 77.

## Coopération ou contestation en tant que méthode de règlement des différends

L'examen des deux méthodes pour résoudre les différends permet de constater que leurs exigences se contredisent.

L'approche coopérative ou la négociation interdépendante vise à rechercher le meilleur règlement d'un problème. Les stratégies et les tactiques que l'on utilise s'opposent à l'idée de conflit ou à l'approche de contestation. Le processus choisi, dans une situation donnée, repose en premier lieu sur le fait qu'une partie considère le problème en lui-même. En d'autres termes, y a-t-il possibilité d'un avantage qui est partagé entre les parties ou existe-t-il une possibilité d'accroître leurs avantages mutuels?

En deuxième lieu, le choix du processus peut reposer sur la perception qu'une des parties se fait du point de vue de son adversaire. En d'autres mots, l'adversaire considérera-t-il la question en recourant aux stratégies et aux tactiques d'une approche de coopération ou d'une approche de contestation?

Cette double approche, qui repose sur la façon dont on conçoit le problème à résoudre et sur l'opinion que l'on a de l'adversaire, peut conduire à la possibilité de dix situations différentes. (Tableau 1) (Le cas illogique de n'envisager que la possibilité de contestation mais de choisir l'autre méthode ne peut être considéré comme option). Les auteurs estiment que le processus de coopération ne pourra se produire avec certitude que là où les deux parties considèrent le problème et l'adversaire comme s'ils désiraient coopérer dans la recherche d'une solution. Dans les deux autres cas, on peut accepter de suivre un processus de coopération, mais cela dépend de l'attitude initiale d'une partie qui considère le problème ou l'autre partie sous l'angle de la contestation.

Les auteurs tirent cette appréciation de trois sources. Ils considèrent d'abord les tactiques inhérentes aux deux méthodes pour régler le problème ainsi que l'effet de ces tactiques sur l'autre partie. En second lieu, ils ont tenu compte de l'expérience acquise en matière de confiance et de méfiance des deux parties l'une envers l'autre. Finalement, ils étudient certains problèmes particuliers dans le domaine de relations professionnelles, soit l'influence d'un groupe sur le comportement de ses agents et l'effet du pouvoir de marchandage dans des rapports professionnels dynamiques.

Enfin, les auteurs laissent entendre que l'étude d'un cas unique isolé peut s'appliquer également à des cas à problèmes multiples.